

Association of South African Travel Agents  
Trading as Association of South African Travel Agents  
Annual Financial Statements  
for the year ended 31 March 2010

Gruzd Zets & Co  
Registered Auditors  
Issued 13 September 2010

# Association of South African Travel Agents

Trading as Association of South African Travel Agents  
Annual Financial Statements for the year ended 31 March 2010

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The reports and statements set out below comprise the annual financial statements presented to the Members:

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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The annual financial statements set out on pages 3 to 13, which have been prepared on the going concern basis, were approved by the Board of Executives on 13 September 2010 and were signed on its behalf by:

\_\_\_\_\_  
President

\_\_\_\_\_  
Treasurer



# Gruz Zets & Co

Registered Auditors  
Chartered Accountants (S.A.)

2<sup>nd</sup> Floor, 3 Sturdee Ave  
Rosebank, 2196  
Tel: +27 11 442 3010  
Fax: +27 11 442 3096

Practice No: 923877 E

P.O.Box 2019  
Parklands 2121  
South Africa

Email:  
info@gz.co.za

## Independent Auditor's report

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### To the members of Association of South African Travel Agents

We have audited the accompanying annual financial statements of Association of South African Travel Agents, which comprise the statement of financial position as at 31 March 2010, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 10.

### Board of Executives' Responsibility for the Financial Statements

The company's Executives are responsible for the preparation and fair presentation of these annual financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa, 1973. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executives, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2010, and of its financial performance and its cash flows for the year then ended in accordance with the South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa, 1973.

### Supplementary Information

We draw your attention to the fact that the supplementary information set out on pages 11 to 13 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

  
Gruz Zets & Co  
Registered Auditors

13 September 2010

Johannesburg

# Association of South African Travel Agents

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## Statement of Financial Position

Figures in Rand	Note(s)	2010	2009
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	13,951	20,434
Investments in subsidiaries	3	37,380	37,380
		<u>51,331</u>	<u>57,814</u>
Current Assets			
Trade and other receivables	4	318,729	327,194
Cash and cash equivalents	5	2,489,531	1,661,233
		<u>2,808,260</u>	<u>1,988,427</u>
<b>Total Assets</b>		<u>2,859,591</u>	<u>2,046,241</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Reserves		37,380	37,380
Retained income		546,131	379,797
		<u>583,511</u>	<u>417,177</u>
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	6	2,276,080	1,629,064
<b>Total Equity and Liabilities</b>		<u>2,859,591</u>	<u>2,046,241</u>

# Association of South African Travel Agents

Trading as Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2010

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2010	2009
Revenue	7	3,539,557	3,900,289
Other income		-	3,499
Operating expenses		(3,483,699)	(4,066,792)
<b>Operating profit (loss)</b>		<b>55,858</b>	<b>(163,004)</b>
Investment revenue	8	110,476	158,411
<b>Profit (loss) for the year</b>		<b>166,334</b>	<b>(4,593)</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>166,334</b>	<b>(4,593)</b>

# Association of South African Travel Agents

Trading as Association of South African Travel Agents  
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## Statement of changes in equity

Figures in Rand	Share Capital	Revaluation Reserve	Retained income	Total equity
<b>Balance at 01 April 2008</b>	-	<b>37,380</b>	<b>384,390</b>	<b>421,770</b>
Changes in equity				
Total comprehensive loss for the year	-	-	(4,593)	(4,593)
Total changes	-	-	(4,593)	(4,593)
<b>Balance at 01 April 2009</b>	-	<b>37,380</b>	<b>379,797</b>	<b>417,177</b>
Changes in equity				
Total comprehensive income for the year	-	-	166,334	166,334
Total changes	-	-	166,334	166,334
<b>Balance at 31 March 2010</b>	-	<b>37,380</b>	<b>546,131</b>	<b>583,511</b>

# Association of South African Travel Agents

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## Statement of Cash Flows

Figures in Rand	Note(s)	2010	2009
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	10	731,205	(202,752)
Interest income		110,476	158,411
<b>Net cash from operating activities</b>		<b>841,681</b>	<b>(44,341)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(13,378)	-
Sale of property, plant and equipment	2	(7)	6,999
Sale of assets		-	(3,499)
<b>Net cash from investing activities</b>		<b>(13,385)</b>	<b>3,500</b>
<b>Total cash movement for the year</b>		<b>828,296</b>	<b>(40,841)</b>
Cash at the beginning of the year		1,661,233	1,702,073
<b>Total cash at end of the year</b>	5	<b>2,489,529</b>	<b>1,661,232</b>

# Association of South African Travel Agents

Trading as Association of South African Travel Agents  
Annual Financial Statements for the year ended 31 March 2010

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice, and the Companies Act of South Africa, 1973. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	5 years
Office equipment	5 years
IT equipment	3 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

#### 1.2 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

##### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.



# Association of South African Travel Agents

Trading as Association of South African Travel Agents  
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## Accounting Policies

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### 1.3 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

# Association of South African Travel Agents

Trading as Association of South African Travel Agents  
Annual Financial Statements for the year ended 31 March 2010

## Notes to the Annual Financial Statements

Figures in Rand 2010 2009

### 2. Property, plant and equipment

	2010			2009		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	273,242	(267,704)	5,538	278,913	(262,314)	16,599
Office equipment	90,890	(89,648)	1,242	102,306	(98,781)	3,525
IT equipment	214,332	(207,161)	7,171	215,777	(215,467)	310
<b>Total</b>	<b>578,464</b>	<b>(564,513)</b>	<b>13,951</b>	<b>596,996</b>	<b>(576,562)</b>	<b>20,434</b>

### Reconciliation of property, plant and equipment - 2010

	Opening Balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	16,599	-	(586)	(10,475)	5,538
Office equipment	3,525	-	-	(2,283)	1,242
IT equipment	310	13,378	-	(6,517)	7,171
	<b>20,434</b>	<b>13,378</b>	<b>(586)</b>	<b>(19,275)</b>	<b>13,951</b>

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

### 3. Investments in subsidiaries

Name of subsidiary	% holding 2010	% holding 2009	Carrying amount 2010	Carrying amount 2009
50 Class "A13" Shares in Guardrisk Insurance Company	10.00 %	10.00 %	37,380	37,380

### 4. Trade and other receivables

Trade receivables	318,340	283,165
Prepayments	389	42,529
Deposits	-	1,500
	<b>318,729</b>	<b>327,194</b>

### 5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,000	4,000
Bank balances	416,441	125,354
Short-term deposits	2,071,090	1,531,879
	<b>2,489,531</b>	<b>1,661,233</b>

### 6. Trade and other payables

Trade payables	-	60,402
Amounts received in advance	585,930	940,310
VAT	14,169	21,300
Other payables	1,675,981	607,052
	<b>2,276,080</b>	<b>1,629,064</b>

## Association of South African Travel Agents

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### Notes to the Annual Financial Statements

Figures in Rand	2010	2009
<b>7. Revenue</b>		
Subscription from members	2,450,272	2,275,088
Entrance fee received	174,937	113,094
Travel Agent Professional Programme	-	109,175
Ticket Holding	-	30,450
Congress Income	380,921	799,621
Workshops	533,427	451,879
Ticket Issuing	-	87,002
Client Services	-	33,980
	<u>3,539,557</u>	<u>3,900,289</u>
<b>8. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	<u>110,476</u>	<u>158,411</u>
<b>9. Auditor's' remuneration</b>		
Fees	30,250	27,500
Tax and secretarial services	3,880	270
	<u>34,130</u>	<u>27,770</u>
<b>10. Cash generated from (used in) operations</b>		
Profit (loss) before taxation	166,334	(4,593)
<b>Adjustments for:</b>		
Depreciation and amortisation	19,273	36,872
Loss (profit) on sale of assets	593	(3,499)
Interest received	(110,476)	(158,411)
<b>Changes in working capital:</b>		
Trade and other receivables	8,465	(253,866)
Trade and other payables	647,016	180,745
	<u>731,205</u>	<u>(202,752)</u>

# Association of South African Travel Agents

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## Statement of Financial Performance

Figures in Rand	Note(s)	2010	2009
<b>Revenue</b>			
Subscriptions from members		2,450,272	2,275,088
Entrance fee received		174,937	113,094
Professional Programme Income		-	109,175
Ticket Holding		-	30,450
Client Services		-	33,980
Congress Income		380,921	799,621
Workshops		533,427	451,879
Ticket Issuing		-	87,002
	7	<u>3,539,557</u>	<u>3,900,289</u>
<b>Other income</b>			
Interest received	8	110,476	158,411
Gains on disposal of assets		-	3,499
		<u>110,476</u>	<u>161,910</u>
<b>Expenses (Refer to page 12)</b>		<u>(3,483,699)</u>	<u>(4,066,792)</u>
<b>Profit (loss) for the year</b>		<u>166,334</u>	<u>(4,593)</u>

## Association of South African Travel Agents

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### Statement of Financial Performance

Figures in Rand	Note(s)	2010	2009
<b>Operating expenses</b>			
Accounting fees		87,120	79,200
Advertising		9,460	42,351
Auditors remuneration	9	34,130	27,770
Bank charges		10,553	10,177
Board Meeting Expenses		6,954	26,381
Committee Expenses		7,071	5,448
Computer expenses		22,067	40,610
Consumables		16,305	13,278
Deposit written off		40,569	-
Depreciation, amortisation and impairments		19,273	36,872
Employee costs		2,217,002	2,548,683
Entertainment		2,204	9,515
Fines and penalties		-	4,285
Flowers		12,605	11,706
Insurance		26,824	29,790
International conference expenses		36,591	31,514
Lease rentals on operating lease		395,202	387,314
Legal expenses		574	9,151
Loss on disposal of assets		593	-
Meeting expenses		-	882
Office Reallocations		-	36,699
Petrol and oil		1,948	115
Photo Expenses		915	-
Postage		60	4,295
Printing and stationery		13,705	20,202
Promotions		-	16,694
Provision for Bad debts written back		(52,167)	-
Rates & Taxes		16,098	-
Regional Meeting Costs		45,823	41,159
Regional Secretarial Costs		-	34,473
Repairs and maintenance		13,044	19,593
Security		3,975	7,825
Special Projects		201,507	224,052
Staff Uniform		2,587	-
Subscriptions		78,980	52,276
Telephone and fax		37,957	86,395
Training		2,252	11,761
Travel - local		99,561	91,149
Travel - overseas		25,174	35,544
Utilities		-	13,749
Web page, Internet & Email		47,183	55,884
		<b>3,483,699</b>	<b>4,066,792</b>

# Association of South African Travel Agents

(Registration number )

Trading as Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2010

## Tax Computation

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Net income per income statement	166,334
<b>Taxable income for 2010</b>	<u>166,334</u>
Assessed loss brought forward	<u>(344,483)</u>
<b>Tax loss carried forward</b>	<u><u>(178,149)</u></u>
Taxation thereon @ 28c in the Rand	<u><u>NIL</u></u>
<b>Tax liability</b>	
Amount owing/(prepaid) at the beginning of year	<u><u>-</u></u>
Tax owing/(prepaid) for the current year	<u><u>                    </u></u>